

| Teladan Setia marks successful debut on ACE Market

POSTED ON MARCH 16, 2021, TUESDAY AT 5:36 PM

BUSINESS



KUCHING: Melaka-based property developer, Teladan Setia Group Berhad (Teladan Setia) has successfully debuted on the ACE Market of Bursa Malaysia today.

Teladan Setia is the largest initial public offering (IPO) in Malaysia in terms of amount raised so far in 2021. From this IPO exercise, the group raised a total of RM77.3 million of which RM35.0 million (45.3 per cent) of the proceeds will be allocated for land acquisition in Melaka.

Meanwhile, RM33.1 million (42.8 per cent) will be used as working capital for project development, RM4.0 million (5.2 per cent) million for repayment of bank borrowings, and the balance RM5.2 million (6.7 per cent) earmarked for listing expenses.

Managing director Richard Teo Lay Ban said, "This is a momentous day for Teladan Setia as we reap the reward of years of relentless hard work. We officially begin our journey as a public listed entity. With the proceeds raised from the listing exercise as well as an elevated reputation and market presence, we are excited to embark on our next phase of growth.

"With the efficient roll-out of the Covid-19 vaccination globally, Malaysia will record an economic recovery in 2021. We remain optimistic on the long-term outlook of the residential property sector in Melaka, supported by the state's leading position in the manufacturing and tourism sectors."

Teo said in the past, Teladan Setia's previous property development projects have received strong market acceptance from local buyers.

“Moving forward, we aim to capitalise on this and continue to launch attractive projects that will be well-received,” he continued. “Over the next two years, the group is scheduled to launch four projects with total gross development value (GDV) of RM995.2 million. These upcoming projects are landed residential units located in Melaka. Currently, the Group’s on-going developments are valued at a GDV of RM623 million.

He added, “Moreover, with the intention of strengthening our foothold as one of the top property developers in the state, we are also seizing the attractive opportunities available today for us to expand our landbank at an accelerated pace. The on-going acquisition of land parcels totalling 145.2 acres will enhance our total undeveloped landbank to 219.1 acres. This, together with new land acquisitions to be embarked on using the listing proceeds will put us in a competitive position to enhance our stronghold in Melaka.”

Based on its recently released 4th quarter results ended December 31, 2020 (“FY2020”), Teladan Setia recorded a full year revenue of 149.6 million. Meanwhile, net profit stood at 25.3 million. Gross profit margin and net profit margin remained high at 36 and 16.9 per cent, respectively.

Teladan Setia has adopted a dividend policy to distribute at least 20 per cent of its annual net profits to shareholders.

M&A Securities Sdn Bhd is the adviser, sponsor, underwriter, and placement agent for the IPO exercise.